

INTERNATIONAL BUSINESS NEWS – DECEMBER 2005

U.S. Department of Commerce

International Trade Administration – U.S. Export Assistance Center

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Seasons Greetings From:

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A FOND FAREWELL FROM LON HARDIN

Just as "pond scum turns over" occasionally down here in Arkansas as seasons and temperatures change, Saturday the 3rd of December was my last day with the Department of Commerce.

It marked 34 years, five months, and some odd days with ARA, EDA, the Office of the Secretary, and USFCS for me.

I started at DOC way back in 1963, at what was then the Area Redevelopment Administration, (morphed to the Economic Development Administration, then on to the Office of the Secretary.) I left the department three times, before coming back to finish a career with USFCS.

While on the outside of Commerce, I wiggled in 21 years with State Governments and the private sector in economic development and international development.

It has been quite a trip! I have enjoyed consistently working with world-class individuals. I have served stints in D.C., Chicago, Texas, West Virginia and, of course Little Rock.

Now I'm looking forward to more golf, more volunteering, traveling, counting grandkids, and more church work. I still live on our farm at "dirty ankle" and raise black Labrador's and border collies to chase the ducks and cows.

Good friends are hard to come by; but I've certainly found many of them in my years of government service.

Best personal regards and blessings,

Lon

IMPORTANT UPCOMING EVENTS: Bureau Of Industry & Security Seminars COMPLYING WITH U.S. EXPORT CONTROLS U.S. TECHNOLOGY CONTROLS FEB. 28-MAR. 2, 2006 - ATLANTA, GA.

These 2-day seminars provide an in-depth examination of the Export Administration Regulations, covering the information exporters need to know to comply with U.S. export control requirements. For more information and a registration form, contact the Atlanta Office at 404-657-1965

SINGAPORE - COMMERCE'S MARKET OF THE MONTH

The Singapore government has an outward-looking, export-oriented economic policy that encourages two-way flows of trade and investment. It has excellent infrastructure, including an airport and seaport that are among the best in the world, an extensive road network and subway system, state-of-the-art telecommunications facilities and reliable public utilities.

There are more than 1,300 U.S. firms already operating in Singapore, many of which have their Asia Pacific overseas headquarters here. Singapore's role as a regional commercial hub is underscored by the fact that more than 52% of Singapore's imports are re-exported. Singapore's major imports in 2002 were integrated circuits, computers, parts and accessories, crude oil, aircraft, and telecommunications equipment. Singapore's major exports were integrated circuits, computers and parts, crude oil, and ship and aircraft bunkers. The U.S. enjoyed a trade surplus of \$1.4 billion with Singapore in 2002, with exports amounting to \$16.2 billion. Major U.S. exports to Singapore included computer accessories, semiconductors, electric apparatus, fuel oil, civilian aircraft, engines and parts.

To learn more about the programs and services offered by our U.S. Commercial Service Office in Singapore, go to <http://www.buyusa.gov/singapore/en/>

CHINA TO CUT IMPORT TARIFFS ON 100 CATEGORIES

Beginning January 1 of 2005, China has cut import tariffs on more than 900 products and lowered the general level of import tariffs to 9.9 percent. Xinhua Agency released the news on December 14 2005 that China will further cut import tariffs on more than 100 categories of products starting January 1, 2006, involving vegetable oil, raw chemical materials, automobiles and parts. Since China has fulfilled most of its tariff reduction obligations, the latest plan will not have a big impact on China's overall tariff level. China's overall level of import tariffs will remain at 9.9 percent in 2006. The average import tariff will be 15.2 percent for farm produce and 9.0 percent for industrial goods. In 2006, China will abolish tariffs and quota management of soybean oil, palm oil and rapeseed oil. China started collecting specific export tariffs on six kinds of textile products from January 1, 2005. As of January 1, 2006, China will stop collecting export tariffs on textile goods.

CHINA INTELLECTUAL PROPERTY RIGHTS ADVISORY PROGRAM FOR SMALL TO MEDIUM SIZED ENTERPRISES

The U.S. Department of Commerce, in cooperation with the American Bar Association, the National Association of Manufacturers, and the American Chamber of Commerce in China, has established a new China Intellectual Property Rights Advisory Program. Through this program, American small and medium-sized enterprises (SMEs) can request a free, one-hour consultation with a volunteer attorney experienced in both IPR issues and the Chinese market to learn how to protect and enforce intellectual property rights (IPR), such as trademarks, patents or copyrights, in China. The SME China IPR Advisory Program seeks to:

- Help American businesses understand the steps they must take to develop an intellectual property protection strategy for the Chinese market;
- Help U.S. companies facing China-related IPR disputes pursue resolution to their problems; and
- Reinforce the message that it is essential for U.S. companies to take action to protect and enforce their IPR in accordance with China's civil, administrative and criminal laws, and that failing to act can have devastating consequences for future business.

To request a free consultation with a volunteer attorney or obtain additional information regarding this Program, please contact Christina Heid of the American Bar Association preferably by email at introl@staff.abanet.org, with the subject line "SME China IPR Advisory Program-Request for Assistance," or by telephone at (202) 662-1034.

WOOD PACKAGING MATERIALS - CHINA

China has notified WTO that all raw wood softwood and hardwood wood packaging materials (WPM) will be required to be treated and officially marked in line with ISPM 15 as of January 1, 2006. For details go to: <http://www.aphis.usda.gov/ppq/wpm/export/china.html>

BEWARE OF CREDIT CARD PAYMENTS FOR INTERNATIONAL SALES

Recently, the U.S. Commercial Service Offices have learned of an increase in the attempted use of credit cards by some foreign buyers to pay for major export shipments, not just small, one time purchases via the Internet. Some of these buyers request that the exporter divide the payment among several credit cards, which may or may not be under the purchaser's name or company's name.

Payment by credit card can be cancelled long after you have shipped the goods, leaving you with an unpaid bill and often no way to recover the product. Wire transfer is your best option for payment from an unknown foreign buyer

To receive information on export financing to reduce your risk, contact us at 501-324-5794, fax 7380, little.rock.office.box@mail.doc.gov

EUROPEAN UNION BINDING TARIFF INFORMATION

The European Union has created the Binding Tariff Information (BTI) system as a tool to assist exporters to obtain the correct tariff classification for goods they intend to export to the EU. Binding Tariff Information is issued on request to economic operators by the customs authorities of the Member States. It is valid throughout the Union, regardless of the Member State that issued it. The main benefit to the holder is legal certainty with regard to tariff classification. This is important, as tariff classification is the basis for determining customs duties, export refunds and the application of other related legal provisions (e.g. import/export certificates). For details please go to:

http://europe.eu.int/comm/taxation_customs/common/databases/ehti/index_en.htm

**GREECE'S LAW 89/1967 GIVES WAY TO LAW
2992/2002 (ARTICLE 12) BRINGING AN END TO AN
ERA THAT LASTED 39 YEARS
by George Bonanos, Commercial Assistant, Athens**

U.S. companies doing business in Greece through Law 89 are alerted that a major change is underway. Law 89/1967 has been Greece's regime providing exemptions and facilitations to foreign enterprises to operate out of Greece conducting business outside Greece. This law 89 regime served many U.S. businesses catering the shipping sector, because of the large number of Greek owned vessels are managed through companies registered outside Greece.

The new law had been drafted giving a deadline for companies to apply for the new status by December 31, 2005. However, passing through parliament the deadline was extended to March 31, 2006.

U.S. business facing any questions regarding this issue should consult qualified tax advisors.

**COMPLYING WITH THE
MADE IN THE USA STANDARD**

The Federal Trade Commission (FTC) is charged with preventing deception and unfairness in the marketplace. The FTC Act gives the Commission the power to bring law enforcement actions against false or misleading claims that a product is of U.S. origin. Traditionally, the Commission has required that a product advertised as Made in USA be "all or virtually all" made in the U.S.

After a comprehensive review of Made in USA and other U.S. origin claims in product advertising and labeling, the Commission announced in December 1997 that it would retain the "all or virtually all" standard.

The Commission also issued an Enforcement Policy Statement on U.S. Origin Claims to provide guidance to marketers who want to make an unqualified Made in USA claim under the "all or virtually all" standard and those who want to make a qualified Made in USA claim.

For information from the Federal Trade Commission on Made in USA Standards, go to
<http://www.ftc.gov/os/statutes/usajump.htm>

**HOW E-COMMERCE IS AFFECTING
FREIGHT FORWARDING**

Each month IOMA's publication "Managing Exports and Imports" features export and import related questions and answers. Contact us at
little.rock.office.box@mail.doc.gov, or 501-324-5794, fax 7380 for a copy of "How E-Commerce is Affecting Freight Forwarding."

USEFUL WEBSITES

European Union Value Added Tax

Every member state of the European Union has a value added tax (VAT). The rates vary from 15 to 25 percent among the member states and among certain types of products. If you do business with EU countries you need to know about Value Added Tax. A good place to get up to speed is European Union Value Added Tax. This site has links to information about VAT rates, legislation, proposals, refund procedures, and everything else you need to know.

http://europa.eu.int/comm/taxation_customs/taxation/ind_ex_en.htm

European Union Fact Sheet Profiles

The U.S. State Department recently issued a fact sheet profiling the European Union. Information includes the geography, people, government and history of the EU, U.S.-EU relations, trade and foreign direct investment and much more. For a copy of the fact sheet, go to
<http://usinfo.state.gov/eur/Archive/2005/Oct/04-180140.html>.

**The Legal 500
Recommended Law Firms and Lawyers Worldwide**

<http://www.legal500.com/>

**The Economist has published an excellent overview
of 60 of the world's economies on their ability to
facilitate digital-age commerce.**

For more information go to
[http://www.ebusinessforum.com/index.asp?layout=chan
nelid_6&channelid=6&title=Doing+e-business+in](http://www.ebusinessforum.com/index.asp?layout=channelid_6&channelid=6&title=Doing+e-business+in)

Bureau of Industry and Security
Implementation Guidance for
November 16, 2005 Libya Rule

On November 16, 2005, the Bureau of Industry and Security (BIS) published an amendment to the Export Administration Regulations (EAR) establishing a new license exception to facilitate the export and reexport of certain items subject to the EAR to U.S. persons in Libya. BIS published the amendment specifically to facilitate U.S. persons business activities, including humanitarian activities, in Libya. The new license exception, "U.S. Persons in Libya" (USPL) is found in Section 740.19 of the EAR. For more information, go to
[http://www.bis.doc.gov/PoliciesAndRegulations/LibyaGu
idance11_16_05.htm](http://www.bis.doc.gov/PoliciesAndRegulations/LibyaGuidance11_16_05.htm)

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HAPPY HOLIDAYS!

